

## Strong Advocacy Needed: Supreme Court Raises the Patentability Bar To Indefinite Heights



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Bruce Sunstein, co-founder and partner of Bromberg & Sunstein LLP, offers this in-depth look at the Supreme Court's decision in *KSR International v. Teleflex* and its likely impact on patent prosecution and infringement claims.

Little attention was paid to a patent infringement dispute between *Teleflex*, a large designer and manufacturer of control devices and *KSR*, a major supplier of pedal and throttle control systems to the auto industry. All of that has now changed with the Supreme Court's April 30, 2007 decision in *KSR International v. Teleflex*.

*Teleflex* challenged *KSR*'s design for a gas pedal and throttle control device which incorporates an electronic sensor in the pedal assembly. *KSR* defended, claiming that *Teleflex*'s patent was invalid as obvious in light of earlier inventions related to control devices. *KSR*'s argument prevailed in the lower but was reversed on appeal. The Supreme Court's ruling has not only vindicated *KSR* but may well alter the entire substantive base for examination of prior art and infringement litigation under the obvious subject matter provision of Section 103 in the Patent Act.

Patent advocacy became much more important on April 30, 2007. On that day, the Supreme Court heeded the warning in a brief, filed on behalf of the government by the Patent and Trademark Office's General Counsel, that the patent law was being interpreted in too rigid a manner in favor of inventors: the Court raised the standard for patentability in announcing its decision in *KSR International Co. v. Teleflex Inc.*

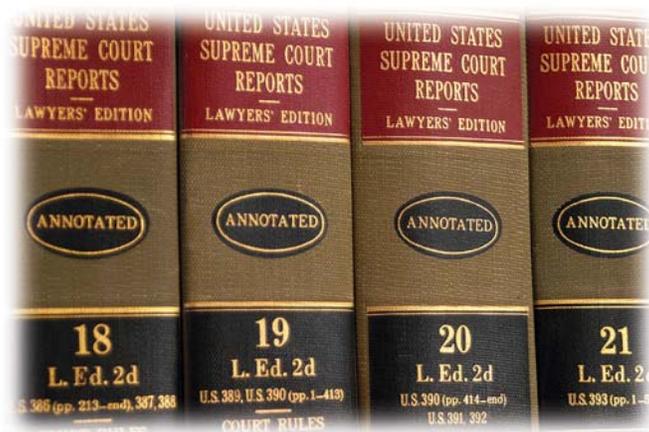
**The obviousness hurdle.** Since 1952, the patent law has explicitly required an invention to be more than new and useful to merit a patent – in addition, a patent will be denied for an invention “if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have

been obvious at the time the invention was made to a person having ordinary skill in the art.” In other words, if the invention would have been obvious, it will be denied a patent.

**The TSM test.** The *KSR* case wrestles with the challenging question of figuring out when an invention “would have been obvious.” For many years, the Federal Circuit, the court to which virtually all patent appeals must go, has said that an invention would have been obvious only “if ‘some motivation or suggestion to combine the prior art teachings’ can be found in the prior art, the nature of the problem, or the knowledge of a person

having ordinary skill in the art.”<sup>12</sup> This way of analyzing obviousness has been called the “teaching, suggestion, or motivation” test (the TSM test).

The government's brief to



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the Supreme Court complained that the TSM test “is problematic because the factual showing that it requires may be difficult or impossible to make, even though the combination would have been obvious to a person having ordinary skill in the art.”<sup>3</sup> The government’s brief also criticized the TSM test for hamstringing examiners at the Patent and Trademark Office: “In particular, the Federal Circuit has repeatedly admonished the PTO’s Board of Patent Appeals and patent examiners not to rely on ‘basic knowledge’ or ‘common sense’ in finding that combinations of prior art would be within the capabilities of persons having ordinary skill. [citations omitted] The Federal Circuit requires that, ‘even when the level of skill in the art is high, the Board must identify specifically the principle, known to one of ordinary skill, that suggests the claimed combination.’ [citation omitted] That requirement inexorably compels the PTO to grant patents for claimed inventions that, under a proper application of [the law], would be obvious.”<sup>4</sup> Above all, the government complained that the TSM test turns the hypothetical person of ordinary skill in the art into a dolt: “The Federal Circuit’s systemic diminishment of the role of the person of ordinary skill and its miserly assessment of that person’s capabilities has distorted the ... framework” for evaluating obviousness.<sup>5</sup>

**Goodbye, TSM.** The Supreme Court gave the government what the government wanted. “There is no necessary inconsistency between the idea underlying the TSM test” and the standard for non-obviousness, said the Court. “But a court errs where, as here, it transforms general principle into a rigid rule limiting the obviousness inquiry.”<sup>6</sup> The Court pointed the way for prior art teachings to be combined in finding an invention obvious. “When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its

patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.”<sup>7</sup> The Court here endorses the prospect that prior art even in different fields might be combined.

**Enter, “common sense.”** The Court did not stop here. Prior art references can now be combined in many ways using the “common sense” pinned for by the government in its brief. According to the Court, “Common sense teaches, however, that familiar items may have obvious uses beyond their primary purposes, and in many cases a person of ordinary skill will be able to fit the teachings of multiple patents together like pieces of a puzzle.”<sup>8</sup>

In amplifying on this concept, the Court buffed up the person of ordinary skill: “A person of ordinary skill is also a person of ordinary creativity, not an automaton.” The Court said that a combination of prior art approaches that is “obvious to try” may render a patent invalid. “When there is a design need or market pressure to solve a problem and there are a finite number of identified, predictable solutions, a person of ordinary skill has good reason to pursue the known options within his or her technical grasp. If this leads to the anticipated success, it is likely the product not of innovation but of ordinary skill and common sense. In that instance the fact that a combination was obvious to try might show that it was obvious under § 103.”<sup>9</sup>

**Invalidity determinations without trial.** Whether a patent claim should be invalidated for obviousness requires a court to consider many different factual issues, even though the ultimate determination of obviousness is a legal determination.<sup>10</sup> In the *KSR* case, there was expert testimony to consider. For this reason, among other things, the Federal Circuit said it was improper to rule that the patent claims in dispute were invalid for obviousness without having a trial

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to decide the factual issues. The Supreme Court held that many invalidity determinations can be made on summary judgment without trial: “Where, as here, the content of the prior art, the scope of the patent claim, and the level of ordinary skill in the art are not in material dispute, and the obviousness of the claim is apparent in light of these factors, summary judgment is appropriate.”<sup>11</sup>

#### **Federal Circuit’s gambit declined.**

After the Supreme Court granted review of the *KSR* case, and before the Supreme Court delivered its decision, the Federal Circuit issued a number of decisions in which it said that a motivation to combine references can be found implicitly in the prior art – the motivation need not be explicit – and that the TSM test requires “consideration of common knowledge and common sense”.<sup>12</sup> The Supreme Court expressly declined to pass on this expanded TSM test, saying that the Federal Circuit should address this matter downstream.<sup>13</sup>

#### **The subjectivity of “common sense.”**

Now that the mantra of “common sense” has replaced the Federal Circuit’s TSM test, we may ponder how “common sense” will be used to evaluate obviousness. Inevitably, there will be an element of subjectivity. One person’s genius in arriving at an invention will be another person’s “common sense” in combining prior art references. And a related question is the extent to which “common sense” is a new criterion or is simply a conclusion of obviousness put in different words.

The subjectivity introduced by the Supreme Court’s *KSR* decision has some ancient echoes. Although the Supreme Court would have us believe that the *KSR* decision is part of a continuum of the Supreme Court’s decisions<sup>14</sup>, the story is more complicated. The language of the patent law enacted by Congress in 1952, quoted at the beginning of this article and referring to what would have been obvious to a person of ordinary skill in the art, was a sophisticated

reworking of concepts developed by the Supreme Court in an 1851 decision, *Hotchkiss v. Greenwood*.<sup>15</sup> But all was not smooth sailing between 1851 and 1952. The standard that Congress made law in 1952 replaced the subjective language, used by the Supreme Court in 1941, “flash of creative genius”.<sup>16</sup> Section 103 of the patent law was therefore enacted by Congress to introduce a more objective standard in evaluating what inventions should be entitled to a patent.<sup>17</sup> That objective standard has been nibbled at by the Supreme Court in the *KSR* decision.

**A new regime with indefinite standards.** In a single decision, the Supreme Court has, in theory, made it significantly easier to invalidate a patent for obviousness. First, the Supreme Court severely undermined the Federal Circuit’s TSM test. Second, the Supreme Court has endorsed making invalidity rulings for obviousness without a trial. Third, the “common sense” standard that has now been articulated makes it more difficult to predict how a given patent or patent application will be evaluated.

**What to expect.** Despite the challenge and uncertainty of this new regime, we can expect a number of developments. First, because the Federal Circuit’s new expanded TSM test<sup>8</sup> has not been disapproved by the Supreme Court, we should not be surprised if the Federal Circuit states that its expanded TSM test is consistent with *KSR* and starts using such a test. Second, although this test may add more predictability to the evaluation of obviousness, the more expansive nature of the test, and the availability of summary judgment to evaluate obviousness, would still make more patents vulnerable. Third, a patent is most vulnerable under *KSR* when one or more important prior art references were not considered by the Patent and Trademark Office – that was the situation with the patent in the *KSR* case. Meanwhile, we can expect the Patent and Trademark Office to issue

more obviousness rejections on pending patent applications, in which references are combined on the basis of “common sense.”

**Strategic approaches.** As a result of the *KSR* decision, consideration of prior art references by the Patent and Trademark Office has greater importance than ever. For pending patent applications, there is a great benefit in affirmatively looking for prior art and having the prior art considered by the Patent and Trademark Office before issuance of the patent. For patents that have already issued, especially patents that may be asserted in patent litigation, it may be valuable to search for additional prior art, and to initiate a re-examination proceeding in the Patent and Trademark Office to have the additional prior art considered before the patent is asserted.

The *KSR* decision leaves some important principles in place for dealing with prior art attacks on pending and issued patents. One principle is that prior art references can be distinguished on the basis (when available) that they “teach away” from the combination being urged to reject or invalidate the patent claim.<sup>19</sup> A second principle is that unexpected results can be urged as showing non-obviousness.<sup>20</sup> A third principle is that often the combination of prior art references does not extend to all the limitations of the patent claim being considered, and when that is the case, it can be shown that a *prima facie* case for rejection or invalidation has not been established. A fourth principle is that more patent claims – and creative ones – can make a difference. Prior art attacks on claims must be mounted separately for each claim, and a well-crafted claim that captures the inventor’s creativity may be just the one for which a “common sense” combination of prior art references simply does not exist. These – and other – tools of effective patent advocacy have greater importance in the post-*KSR* world. ✧

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- 1 35 U.S.C. § 103(a).
- 2 2007 WL 1237837 \*7.
- 3 2006 WL 2453601 \*19.
- 4 2006 WL 2453601 \*26.
- 5 2006 WL 2453601 \*25.
- 6 2007 WL 1237837 \*14, citing *Graham v. John Deere Co.*, 383 U.S. 1 (1966), which interpreted 35 U.S.C. § 103.
- 7 2007 WL 1237837 \*13.
- 8 2007 WL 1237837 \*15. This conclusion stands in remarkable contrast to the language in which the Federal Circuit criticized the trial court for combining references using the claims as a guide: "The result is that the claims were used as a frame, and individual, naked parts of separate prior art references were employed as a mosaic to recreate a facsimile of the claimed invention." *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1552 (Fed. Cir. 1983) (reversing a determination of obviousness of relevant claims as improperly using hindsight).
- 9 2007 WL 1237837 \*15.
- 10 2007 WL 1237837 \*19, citing *Graham v. John Deere Co.*, *supra*, note 6.
- 11 2007 WL 1237837 \*19.
- 12 2007 WL 1237837 \*16, citing *Alza Corp. v. Mylan Labs., Inc.*, 464 F.3d 1286, 1291 (2006) and *DyStar Textilfarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1367 (2006).
- 13 *Id.*
- 14 See 2007 WL 1237837 \*6 and \*12-\*13.
- 15 11 How. 248, cited in *Graham v. John Deere Co.*, 383 U.S. 1, 11 (1966) and *KSR International Co. v. Teleflex Inc.*, 2007 WL 1237837 \*6.
- 16 See *Graham v. John Deere Co.*, 383 U.S. 1, 15 (1966), citing *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U.S. 84, 62 S.Ct. 37, 86 L.Ed. 58 (1941).
- 17 The principal drafters of section 103 were the late Judge Giles J. Rich and P.J. Federico, whose remarks are quoted in the Brief of Amicus Curiae Pharmaceutical Research and Manufacturers of America in Support of Respondents, 2006 WL 2967758 \*6-\*7. Quoted from Rich, *Ghost*, 1 APLA Q.J. at 28-31, reprinted in 14 Fed. Cir. B.J. at 165-70; and P.J. Federico, "Commentary on the New Patent Act," 35 U.S.C.A. at pp. 22-23 (1954), reprinted in 75 J.Pat. & Trademark Off. Soc'y 160, 183-84 (1993).
- 18 See discussion accompanying note 12.
- 19 The Supreme Court cited with approval *United States v. Adams*, 383 U.S. 39, 40, 86 S.Ct. 708, 15 L.Ed.2d 572 (1966), in which this analysis was used. 2007 WL 1237837 \*12.
- 20 *Id.*

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